

HOUSE BILL 651

By Alexander

AN ACT to amend Tennessee Code Annotated, Section 7-82-401; Section 68-221-1017 and Section 68-221-1010, relative to utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-401, is amended by deleting subdivision (g)(3) and substituting the following:

(3) For the purposes of this chapter, "financially distressed utility district" means a utility district, and its system or systems, that, as shown by the audited annual financial reports, has either a deficit in total net position, is in default on an indebtedness, or has a negative change in net position for two (2) consecutive years without regard to any grants or capital contributions. For purposes of this section, "change in net position" means total revenues less all grants, capital contributions, and expenses.

SECTION 2. Tennessee Code Annotated, Section 68-221-1010, is amended by deleting subdivision (a)(1) and substituting the following:

(1) Within sixty (60) days from the time that an audit of a water system or wastewater facility is filed with the comptroller of the treasury, the comptroller of the treasury shall file with the board the audited annual financial report of any water system or wastewater facility that has a deficit total net position in any one (1) year, has a negative change in net position for two (2) consecutive years, or is currently in default on any of its debt instruments. For purposes of this section, "change in net position" means total revenues less all grants, capital contributions, and expenses.

SECTION 3. Tennessee Code Annotated, Section 68-221-1017, is amended by deleting subdivision (f)(1) and substituting the following:

(1) The water and wastewater financing board shall issue an order approving or disapproving the petition for the new utility system within ninety (90) calendar days of receipt of the petition by the board, its agent, or its representative.

SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it.